(c) if not, whether it would be considered in a constructive manner; and

(d) if not, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) As per SEBI guidelines unlisted companies with 3 years track record of profitability and listed companies are allowed to freely price an issue. In addition those new companies which are promoted by companies with 5 years track record of profitability are also allowed to price their issue freely subject to the promoting companies participating to the extent of 50% of the Capital at the same issue price. Thus not all new companies are permitted to issue shares at a premium.

Speculative Tendencies in Stock Markets

883. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) whether the prominent stock markets in India still suffer from excessive speculative tendencies;

(b) if so, steps taken by the SEBI to curb these tendencies; and

(c) response of various steps taken so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Excessive speculation, in the sense of estensive sales and purchases being made without the intention to deliver and settle, is not a characteristic of stock market transactions at present, as the stock exchanges at Bombay, Ahmedabad, New Delhi and Calcutta were directed by SEBI on 13.12.1993 to ensure that no carry-forward of transactions in securities would be allowed except for the purpose of liquidating the then existing carry-forward business positions of members and that, henceforth all transactions in securities would be settled at the end of each settlement by delivery and payment.

(c) The various steps taken by SEBI so far have contributed to a more prudential regulation of stock market transactions and superior investor protection.

Improvement in the Working of Regional Rural Banks

884. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has announced a package for the revival and for improvement in the working of the Reginal Rural Banks which were set up to provide relief to rural population of India; if so, what are the salient features of this package;

(b) what were the prompting factors in setting up Regional Rural Banks when the commercial banking services catered to the remotest parts of the rural India; and

(c) whether the Regional Rural Banks have accumulated mammonth losses of over Rs. 625 crores at the end of March, 1993; if so, whether the Government would wind up the Regional Rural Banks, altogether?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) In 1975 Government of India constituted a working Group under the Chairmanship of Shri M. Narsimham to review the them existing institutional frame-work for rural credit. Based on the Group's recommendations, a set of credit institutions viz. Regional Rural Banks (RRBs) were established. These banks were intended to have a feel and familiarity with the local problems of the kind the cooperative institution possessed and degree of business organisation, ability to mobilise deposites and access to money market which the commercial

banks had. The area of operation of these banks is usually confined to one or two district and therefore, the resources raised by them have been ploughed back for supporting the developmental activities in the same area.

As on 31st March, 1993 the total accumulated losses of all the RRBs functioning in the country stood at Rs. 930 crores.

Reserve Bank of of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) in consultation with the Government have recently taken the following further steps to check the losses of Regional Rural Banks (RRBs) and to bring about improvement in their viability:—

(i) with effect from September, 1992 RRBs have been allowed to finance navy-target group borrowers to an extent not exceeding 40 per cent of their fresh loans;

(ii) all sponsor banks have been insturcted to pay a minimum of 13.5 per cent interest on SLR term deposits of RRBs kept with them;

(iii) with effect from April, 1993, all commercial banks have been advised by RBI to revise upward the interest rates on current account balance maintained by RRBs from 6.5 per cent to 7.5 per cent;

(iv) Regional Rural Banks have been allowed to draw cent per cent refinance upto Rs. 10 lakhs for their loans to small and tiny industrial units with outlay not exceeding Rs. 15 lakhs.

(v) Cent per cent refinance is also available to the RRBs for financing of small road transport operators.

Besides the above, the additional short-term measures taken by the RBI and NABARD in December, 1992 to check the losses of RRBs and to bring about improvement in their viability, were as under:—

(1) RRBs have been allowed to relocate loss-making branches at places like Mandis, Taluk/District Headquarters, agriculture-produce centres, etc. and to open Extension Countres at premises of institutions for which the RRB is the principal banker.

(2) RRBs whose disbursals during 1992-93 were less than Rs. 2 crores have been freed from their service area obligations and are free to extened financial assistance throughout the areas within their jurisdiction.

(3) RRBs have been allowed to lend to Non-Target Group beneficiaries to an extent of 60% of their fresh lendings, as against the earlier limit of 40% introduced since September, 1992.

(4) RRBs have been allowed to issue guarartees on behalf of their customers.

(5) The limits for purchase/discount of demand drafts and cheques by RRBs upto Rs. 10,000/-per customer and upto Rs. 25,000-per branch at any point of time have been enhanced to Rs. 25,000/- and Rs. 1,00,000/- respectively.

(6) RRBs have been permitted to undertake issue of travellers cheques as agents of their sponsor banks.

(7) RRBs have been allowed to issue drafts, MTs, TTs in consultation with their sponsor banks taking into account the needs of the area and capabilities of their branch personnel.

(8) RRBs have been permitted to install safe deposit lockers.

(9) RRBs have been allowed to participate in the Small Loans Guarantee Scheme 1971 after taking a decision in the matter in the light of benefit-cost factors.

(10) RRBs have been advised to conduct manpower planning exercise and ensure proper deployment of staff for optimum efficiency of the available manpower.

(11) RRBs may also resort to computerisation for improving their information system.

(12) RRBs have also been advised to exercise atmost economy in their expenditure.

Purchasing Power of Rupee

885. SHRI MURLIDHAR CHANDRA KANT BHANDRAE: Will the Minister of FINANCE be pleased to state:

(a) purchasing power of the Rupee at present taking CPI=1960=100;

(b) how it compares with that of 1980, 1990 and 1992; and

(c) Steps taken by Government to control prices?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The purchasing power of the rupee in December, 1993 was 7.68 paise as measured by the reciprocal to monthly consumer price index of industrial workers (CPI-IW) with 1960 as base and the same for the years 1980, 1990 and 1992 is 25.64 paise, 10.89 paise and 8.56 paise respectively.

(c) In order to ensure adequate availability of essential commodities at reasonal prices, a constant vigil is kept on prices for the purpose of supply management in respect of 12 out of 30 essential commodities namely, rice, wheat, sugar, vanaspati, groundnut oil, mustard oil, gram dal, tur dal, onion, potato, salt and tea. At the macro level sustained efforts at constaining fiscal deficit is the major policy initiative for controlling inflation.

स्टेट बैंक आफ इन्दौर में बैंक ड्राफ्टों की चोरी

886. **श्री राम नरेश यादव:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार का ध्यान दिनांक 12 फरवरी, 1994 के "नवभारत टाइम्स" के दिल्ली संस्करण में "ड्राफ्ट बुक से चार करोड़ का घोटाला" शीर्षक से प्रकाशित समाचार की ओर दिलाया गया है;

(ख) यदि हां, तो स्टेट बैंक आफ इन्दौर की कितनी शाखाओं में बैंक ड्राफ्टों की चोरी के कारण घोटाले की घटनाएं हुई हैं;

(ग) इसमें लापरवाही के लिए कितने अधिकारी दोषी पाए गए हैं और उनका ब्यौरा क्या है; और

(घ) प्रत्येक मामले में कितनी धनराशि घोटाले में लिप्त पाई गई है?

वित्त मंत्रालय में राज्य मंत्री और संसदीय कार्य मंत्रालय में राज्य मंत्री (डा० अबरार अहमद): (क) से (घ) सूचना एकत्र की जा रही है और सभा पटल पर रखी जाएगी।

भारतीय स्टेट बैंक की सतना स्थित शाखाओं द्वारा जाली ड्राफ्टों का भुगतान

887. **श्री राम नरेश यादव:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार को इस बात की जानकारी है कि भारतीय स्टेट बैंक की सतना जिले की अनेक शाखाओं ने अनेक जाली ड्राफ्टों की उचित जांच करने से पहले ही उन ड्राफ्टों का भुगतान सितम्बर, 1993 से 30 जनवरी, 1994 की अवधि में कर दिया था;

(ख) यदि हां, तो इन जाली ड्राफ्टों का ब्यौरा क्या है तथा उनके भुगतान में कितनी धनराशि अंतर्ग्रस्त थी;

(ग) किस-किस बैंक ने ये ड्राफ्ट जारी किए थे; और

(घ) इस मामले में कितने अधिकारी दोषी पाए गए तथा उनके विरुद्ध क्या कार्यवाही की गई?

वित्त मंत्रालय में राज्य मंत्री और संसदीय कार्य मंत्रालय में राज्य मंत्री (डा० अबरार अहमद): (क) से (घ) सूचना एकत्र की जा रही है और सभा पटल पर रख दी जाएगी।